

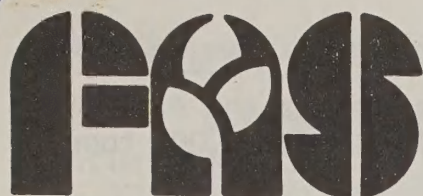
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# REPORT

United States  
Department of  
Agriculture  
Foreign  
Agricultural  
Service  
Washington, D.C. 20250

## WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 38-81

WASHINGTON, Sept. 23--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

### GRAIN AND FEED

ARGENTINA signed a five-year grains supply agreement with Algeria during a mid-East tour by an Argentine Grains Board team. Other stops for the team were Israel and Egypt, where possible additional supply agreements were discussed. All of these countries would be essentially new markets for Argentina.

The agreement with Algeria provides for annual sales at market prices for 50,000 to 100,000 tons of Durum wheat; 100,000 to 200,000 tons of bread wheat, 30,000 to 60,000 tons of corn; and 5,000 to 10,000 tons of white beans. In the first year, which corresponds to the 1981/82 (Dec.-Nov.) Argentine grain marketing season, Algeria will take 100,000 tons of Durum; 100,000 tons of bread wheat; 60,000 tons of corn and 5,000 tons of white beans.

In recent years, Algeria has relied on the United States, Canada and the European Community (EC) for a large portion of its grain supplies. Wheat exports to Algeria, by specified origins, for the past three marketing years (July-June) are as follows in 1,000 tons.

	<u>1978/79</u>	<u>1979/80</u>	<u>1980/81</u>
United States	566	692	427
Argentina	--	--	--
European Community	145	590	N/A
Canada	349	487	739
Subtotal	<u>1,060</u>	<u>1,769</u>	<u>N/A</u>
Total, all origins	1,700	1,800	1,800

\*\*\*\*\*

MEXICO has stepped up wheat purchases from CANADA this year in an effort to diversify its sources of supply. CONASUPO, Mexico's government supply agency, already has contracted for 100,000 tons of Canadian Hard Red Winter wheat for August-December delivery and intends to take an additional 40,000 tons of Canadian Hard Red Spring wheat during January and February. These purchases, amounting to 140,000 tons, represent more than three times the level of last year's Canadian sales to Mexico.

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Wheat exports to Mexico from the United States, Canada and Argentina for the past several marketing years (July-June) are as follows in 1,000 tons.

	<u>1978/79</u>	<u>1979/80</u>	<u>1980/81</u>	<u>Projected 1981/82</u>
United States	921	981	1,160	760
Canada	21	60	45	140
Argentina	112	---	---	---
Total	<u>1,054</u>	<u>1,041</u>	<u>1,205</u>	<u>900</u>

\*\*\*\*\*

U.S. DURUM WHEAT prices have plunged about 40 percent below the level of this time a year ago, but export sales are up nearly 50 percent for the same period as world demand has responded to the lower prices. U.S. sales are appreciably up to the European Community and to northern Africa. Brazil bought 27,000 tons of durum earlier this month, which was probably its first durum purchase ever. U.S. durum exports during 1981/82 (June/May) are estimated at about 2.2 million tons, nearly 40 percent above last year's 1.6 million tons, when U.S. supplies were sharply reduced.

Export prices at Duluth are currently around \$154 per ton, more than \$100 below last year's mid-September price of about \$257 per ton. Prices have responded to abundant supplies in both the United States and Canada, which together account for nearly all of the world's durum exports. Production of durum in the United States and Canada last year and an estimate for this year's outturn are as follows in 1,000 tons.

	<u>1980/81</u>	<u>1981/82 (est.)</u>
United States	2,950	5,099
Canada	1,943	2,727
Total	<u>4,893</u>	<u>7,826</u>

\*\*\*\*\*

CANADA's overall level of grain exports has not been noticeably affected by the recent twelve-day strike at Thunder Bay. The strike's short duration, as well as heavy stocks at St. Lawrence, which had been built up in anticipation of the strike, prevented any appreciable delays. Although only a small portion of Canadian exports are shipped directly from Thunder Bay, 50 to 60 percent of total grain exports are transferred through those facilities for shipment on lakers to St. Lawrence ports.

#### TOBACCO

In JAPAN, a recent survey by the Tobacco and Salt Public Corporation (JTS) indicates a drop in Japanese tobacco consumption. According to the survey, the percentage of males who smoke every day dropped 2.9 percent in 1980 to 70.2 percent. This is the lowest rate since the survey was begun in 1965. Also, the percentage of females smoking every day dropped 1 percent to 14.4 percent. A 20-percent increase in cigarette prices last April is the major reason for the decline in tobacco consumption. Health concerns, regarding cigarette smoking, also are a factor.

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## HORTICULTURAL AND TROPICAL PRODUCTS

As the world's largest honey producer, the SOVIET UNION's 1981 production in both the socialized and private sectors is expected to total 193,000 tons, 2 percent above last year. The final offtake, however, depends on the level of nectar sources before the summer drought started in various parts of the European USSR, particularly in the RSFSR--the largest of the Soviet Union's fifteen republics--which normally accounts for about 60 percent of commercial honey output, as well as the extent of disease control. Varroasis, a disease in bees caused by the mite *Varroa jacobsoni*, which kept production down last year, has caused considerable damage again this year to colonies in a number of republics, especially in the North Caucasus. Another factor influencing yields is the condition of this year's buckwheat crop, the main source of nectar for bees in the USSR.

The Soviet government plans to expand honey production in the public sector, which currently accounts for less than half of the total honey output. Expansion efforts are focusing on increasing the number of colonies and improving disease resistance with imported stock.

\*\*\*\*\*

In POLAND, weather conditions have been ideal for growth and production of sugar beets. The 1981/82 harvest, which began in early September, is estimated by the government to yield a crop of around 15 million tons of beets, assuming good weather continues through October. Early tests from this season's beet crop indicate a sugar content of slightly above 11 percent. In the United States, the normal content for sugar beets is 15 to 16 percent.

Poland, Eastern Europe's largest sugar beet producer, harvested crops in 1980/81 and 1979/80 of 10.4 million and 14.2 million tons, respectively.

\*\*\*\*\*

MEXICO and ISRAEL have agreed on a joint venture to establish a new dehydration plant in the Mexican State of Sinaloa. The plant, to be called Productos Deshidratados del Fuerte, is expected to become operational sometime in 1982 and will produce dried garlic, onions, sweet and hot chili peppers, green beans, peas and parsley. An annual target of 1,700 tons of dehydrated vegetables is planned, with distribution going mainly to the Mexican market.

## DAIRY, LIVESTOCK AND POULTRY

As FRANCE continues to expand its poultry production, the United States could be faced with increased competition for the fresh and frozen poultry meat markets in West Germany. In 1981, France is expected to produce 15 percent more broiler meat and 10 percent more turkey meat than in the preceding year. This upward trend is likely to continue into 1982.

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U.S. exports to West Germany of fresh and frozen poultry meat during the first six months of 1981 amounted to 4,034 tons, down 36 percent from last year and 11 percent below 1979. This substantial decline is partially a function of the strong U.S. dollar and the very competitive position of the French poultry industry. Trade reports indicate that France is offering processed turkey parts at very attractive prices, which are noticeably below both U.S. offer prices and West German domestic prices.

NEW FOREIGN AGRICULTURE CIRCULARS

Monthly Data on Meat Imports--August 1981, FLM MT 18-81

World Cotton, Oilseed Crops Increase, WCP 9-81

1981 Soviet Grain Crop Estimate, FG 32-81

USSR Grain Situation and Outlook, FG 33-81

World Grain Situation/Outlook, FG 34-81

U.S. Canned Mushroom Imports Decline; Exports from People's  
Republic of China Grow Rapidly, FVEG 6-81

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Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Sept. 22, 1981	Change from previous week	A year ago
	\$ per m. ton	\$ per bu.	¢ per bu.
Wheat			
Canadian No. 1 CWRS-13.5%.....	214.00	5.82	- 0
U.S. No. 2 DNS/NS: 14%.....	190.00	5.17	+03
U.S. No. 2 DHW/HW: 13.5%.....	201.00	5.47	-05
U.S. No. 2 S.R.W.....	180.00	4.90	+12
U.S. No. 3 H.A.D.....	190.00	5.17	0
Canadian No. 1 A: Durum.....	1/	1/	1/
Feed grains:			
U.S. No. 3 Yellow Corn.....	134.00	3.40	+10
U.S. No. 2 Sorghum 2/.....	146.00	3.71	+13
Feed Barley 3/.....	150.00	3.27	+11
Soybeans:			
U.S. No. 2 Yellow.....	262.00	7.13	+12
Argentine 4/.....	1/	1/	1/
U.S. 44% Soybean Meal (M.T.)..	240.50	--	+6.50 5/
EC Import Levies			
Wheat 6/.....	82.10	2.23	+34
Barley.....	80.70	1.76	+22
Corn.....	97.85	2.49	+29
Sorghum.....	82.20	2.09	+25

1/ Not available.

2/ Optional delivery: U.S. or Argentine Granifero Sorghum.

3/ Optional delivery: U.S. or Canadian Feed Barley

4/ Optional delivery: Brazil yellow.

5/ Dollars per metric ton.

6/ Durum has a special levy.

Note: Basis October delivery.







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